

Message Text

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TAGS: ELAB, PINT, IC

SUBJECT: LEFT SHOWS MUSCLE AT LABOR FEDERATION CONGRESS

1. SUMMARY: ICELANDIC FEDERATION OF LABOR HELD QUADRENNIAL NATIONAL CONVENTION IN REYKJAVIK NOVEMBER 29 - DECEMBER 3. THOUGH RADICAL ELEMENTS DID NOT SUCCEED IN ANNOUNCED GOAL OF "POLITICIZING" IFL AND IN OUSTING MODERATES FROM LEADERSHIP, THEY WERE INSTRUMENTAL IN PUSHING THROUGH RESOLUTION EXPRESSING OPPOSITION TO BOTH ICELAND'S NATO MEMBERSHIP AND PRESENCE HERE OF US-MANNED DEFENSE FORCE. IN GENERAL, LEFT WING OF LABOR MOVEMENT SEEMS TO HAVE EMERGED FROM CONGRESS WITH STRONGER HAND, AND FEDERATION IS PLEDGED TO TAKE OFFENSIVE IN NEXT ROUND OF GENERAL WAGE NEGOTIATIONS. PROSPECT THUS APPEARS TO BE FOR CONTINUATION AND POSSIBLE INCREASE IN FRICTION THAT HAS CHARACTERIZED LABOR-GOVERNMENT RELATIONS UNDER PRESENT COALITION. END SUMMARY.

2. IFL CONGRESS OCCURRED AGAINST BACKGROUND OF GROWING LABOR UNREST OVER ALLEGED SHARP CUTS IN PURCHASING POWER AND RELATED UNHAPPINESS AT GOVERNMENT'S INABILITY TO CONTROL INFLATION. SPEARHEADED BY GROUP OF MOSTLY YOUNG, SELF-STYLED RADICALS (OR "TROTSKY-ITES"), EXTREME LABOR LEFT WING HAD DECLARED IN-

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TENTION OF CHALLENGING WHAT IT SAW AS INEFFICIENT IFL

LEADERS AND POLICIES, AND OF PURGING IDEOLOGICALLY HOSTILE FORCES (IE INDEPENDENCE AND PROGRESSIVE PARTY UNION OFFICIALS) FROM IFL POSITIONS OF LEADERSHIP.

3. LEFTISTS MADE MARK MOST CLEARLY IN ELECTION OF NEW IFL CENTRAL COMMITTEE, WHICH NOW APPEARS TO BE EFFECTIVELY DOMINATED BY PEOPLES ALLIANCE (PA) MEMBERS OR SYMPATHIZERS. TWO INDEPENDENCE PARTY MP'S, WHO HAD LONG BEEN THORN IN SIDE OF LEFTISTS AS CENTRAL COMMITTEE MEMBERS, WERE BOTH REPLACED. ON OTHER HAND, MODERATE IFL PRESIDENT BJORN JONSSON (SDP) WAS REELECTED WITHOUT OPPOSITION, WHILE VICE PRESIDENT SNORRI JONSSON (PA), LONG OUT OF FAVOR WITH DOCTRINAIRE ELEMENTS IN HIS PARTY BECAUSE OF HIS PRAGMATISM, TURNED BACK LEFTIST CHALLENGE AND WON EASY REELECTION.

4. RADICALS TRIED UNSUCCESSFULLY TO INSERT POLITICAL DEMANDS INCLUDING ONE FOR WITHDRAWAL FROM NATO AND REMOVAL OF US-MANNED ICELANDIC DEFENSE FORCE (IDF), INTO DRAFT CONSTITUTION EVENTUALLY ADOPTED BY CONVENTION. HOWEVER, THIS WAS PROBABLY MORE TACTICAL SET-BACK THAN ANYTHING ELSE, STEMMING FROM UNWILLINGNESS OF DELEGATES EITHER TO UNDO EXTENSIVE ADVANCE WORK WHICH HAD ACHIEVED CONSENSUS ON CONSTITUTION OR TO RISK MODERATE/RIGHT-WING WALKOUT. LEFTISTS THEN SUCCEEDED IN PUSHING THROUGH FLOOR RESOLUTION EXPRESSING OPPOSITION TO NATO MEMBERSHIP AND IDF PRESENCE BY 202-157 VOTE. ANOTHER RESOLUTION, PASSED BY WIDER MARGIN, CALLED FOR RESIGNATION OF GOVERNMENT AND NEW ALTHING ELECTION. THIS CAME AS NO SURPRISE GIVEN PREPONDERANCE OF DELEGATES FROM OPPOSITION PARTIES (PA AND SDP).

5. KEY SUBSTANTIVE RESOLUTION ADOPTED WAS ON WAGE POLICY. MEASURE STATED THAT TIME FOR DEFENSIVE LABOR POSTURE ON PAY MATTERS HAD PASSED AND INSISTED ON "CONSIDERABLE" GENERAL WAGE HIKE AS PART OF NEXT CONTRACT, PLUS SETTING OF MINIMUM MONTHLY WAGE AT 100,000 KRONUR (\$526). RESOLUTION ALSO CALLED FOR CLOSER LINK LIMITED OFFICIAL USE

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BETWEEN WAGES AND COST OF LIVING INDEX, SOMETHING GOVERNMENT HAS STRONGLY RESISTED ON GROUNDS IT WOULD LEAD TO NEW INFLATIONARY SPIRAL.

6. FOR FIRST TIME, ACCORDING TO EMBASSY FILES, AFL-CIO OBSERVER ATTENDED IFL CONGRESS. EDWARD CARLOUGH, PRESIDENT OF INTERNATIONAL ASSOCIATION OF SHEET METAL WORKERS ADDRESSED MEETING DECEMBER 1. OTHER FOREIGN

OBSERVERS ATTENDED FROM USSR, GDR, FRG AND FROM OTHER
NORDIC NATIONS.

7. COMMENT: DESPITE LEFTWARD SHIFT IN CENTRAL COMMIT-
TEE MAKEUP, PRELIMINARY ESTIMATE IS THAT THERE WILL BE
NO DRASTIC CHANGES IN IFL POLICY OR APPROACH. IN THIS
RESPECT, IT IS WORTH NOTING UNOPPOSED REELECTION OF
BJORN JONSSON AND FACT THAT SNORRI JONSSON AND OTHER
PA MODERATES SEEM TO HAVE RETAINED UPPER HAND OVER
RADICALS. ON OTHER HAND, GOVERNMENT AND EMPLOYERS
CAN TAKE LITTLE COMFORT FROM CONGRESS OUTCOME. LABOR
DISSATISFACTION OVER PREVAILING WAGE-PRICE SITUATION
HAS, BY MOST ACCOUNTS, NEVER BEEN GREATER DURING
TWO-PLUS YEARS PRESENT GOVERNMENT HAS BEEN IN OFFICE.
EVEN DISCOUNTING RHETORIC, IFL APPEARS DETERMINED TO MAKE
MAJOR PUSH FOR IMPROVED WAGE/TERM PACKAGE IN NEXT
CONTRACT TALKS EARLY IN 1977. REGARDING SIGNIFICANCE OF
ANTI-NATO/IDF RESOLUTION, VARIOUS AND CONTRASTING INTERPRETA-
TIONS ARE BEING OFFERED LOCALLY. HOWEVER, FACT REMAINS
THAT BY CLEAR MARGIN IFL CONVENTION TOOK FORMAL STAND IN
OPPOSITION TO NATO AND DEFENSE FORCE PRESENCE. OUR
RECORDS INDICATE THAT THIS HAS NOT OCCURRED PREVIOUSLY
SINCE 1960, DURING HEYDAY OF COMMUNIST CONTROL IFL.
BLAKE

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